

European Parliament

information series

the sittings

12

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THE SITTINGS

STRASBOURG, 12th – 16th DECEMBER 1977

THE WEEK

The European Parliament concluded its week in Strasbourg with two major questions unanswered: is the Community's budget for 1978 to be adopted and are the first European elections to be held on schedule in the Spring of 1978?

On the budget, the European Parliament agreed to amendments which have the effect of establishing the payments side of the budget at 12,362m EUA and the commitments side at 12,688m EUA. Technically this increases the level of planned spending above the limits laid down by the Treaty so the Council's agreement (*) is still needed if the budget is to be adopted.

The other question mark came from the vote on clause 3,1 in the European Assembly Elections Bill in the House of Commons on Tuesday evening: this was the vote on a choice of electoral system. And the majority came out in favour of retaining the traditional UK national electoral system for the first European elections. The vote caused disappointment both among European Liberals, who felt that Westminster rejection of the proportional representation system would be unfair to their UK colleagues, and among those who feared that the Spring date for the elections might now be in doubt because of the time that might be needed to determine the boundaries of the future 'European' constituencies in the UK. Mr Simonet told the House that it would not be until January that the position would be clear.

The other major item this week has been fisheries policy: here, as one EMP remarked, the Members of the European Parliament seem a lot closer to a consensus than to the Council. Mr Hamblet, Council President, said he hoped for real progress in the fisheries policy issues still outstanding on January 16th 1978.

(*) This was subsequently given. Ed.

MONDAY, 12th December 1977

Welcome to Irish Delegation

The President informed the House that the Irish Senate and Chamber of Deputies had renewed their delegations to the European Parliament. New Members now take their seats: Sean Brosnan (EPD), Ruairi Brugha (EPD), Patrick Power (EPD) and Richie Ryan (CD).

Order paper

Mr Noë's report on fast breeder reactors was withdrawn, as was the oral question tabled by Mr Fellermaier and others on safety at sea. These two items were to have been taken on Monday evening. Mr Kofoed's report on the conservation and management of fishery resources was withdrawn from Thursday's agenda.

President Colombo announced that the Council wished to make a statement on the recent meeting it had held on development and cooperation. The House agreed to take this tomorrow, Tuesday, after Mr Ripamonti's report.

The House will decide tomorrow morning on whether to take as urgent a motion tabled by the Political Affairs Committee on the meeting between Mr Sadat and Mr Begin.

Action taken on Parliament's advice

Commissioner Richard Burke told the House that the Commission had incorporated Parliament's amendments into its proposals in 7 out of 8 cases following the November sittings week. The Commission had not, however, been able to accept the changes to its proposals on tractor seats contained in Mr Herbert's report.

Energy

Commission's Second Report on the achievement of Community energy policy objectives for 1985, together with a draft Council resolution (Doc. 248/77). Mr John Osborn's report (Doc. 433/77). Motion tabled welcomed Commission's report. Mr Brunner replied.

On 17 December 1974 the Council adopted a series of Community energy policy objectives for 1985. At the beginning of 1976 the Commission published a first

report on their achievement, and has now submitted a second report adjusting these objectives in the light of changed conditions.

The main objectives are as follows:

- oil imports should not exceed 500m tonnes;
- the proportion of oil in gross energy consumption should be reduced significantly;
- the Community's dependence on imported sources of energy should not exceed 50 per cent

The Commission now feels the original target of reducing Community dependence on imported energy to 40 per cent is unrealistic. It now believes 50 per cent is more feasible. The main reason for this is the delay in the implementation of the nuclear power programme.

Mr John Osborn (Br,EC) opened the debate by expressing his regret at the abandonment of the Community's target of 40 per cent dependence on imported energy by 1985. We should not lose sight of the fact that another energy crisis on the 1973 scale could strike again at any time. What was vital now was to develop coal as an alternative — particularly to compensate for delays to the nuclear power programme.

Other speakers in the two and a half hour debate stressed their conviction that the Community had to help itself: that meant pressing ahead with the nuclear option, but also developing indigenous resources such as coal. Unless we eliminated our dependence on oil, Lord Bessborough said, the OPEC countries would buy themselves into Europe with their oil revenues to an unacceptable degree. There was unanimity that, whatever other sources were used, there was simply no way to satisfy future energy needs without nuclear power — though several speakers warned about the dependency on imported uranium.

Replying, Energy Commissioner Guido Brunner said that oil imports had fallen by 20 per cent since 1973 — but only as a result of the recession. In fact, 19 per cent of Community electricity was oil-generated — far too much. The alternative was nuclear power: at present over \$7000 m in investments were tied up in delayed nuclear projects, and an all-out effort had to be made to get this programme moving again. Recent talks with Canada had provided a realistic basis for future uranium imports — a key to European nuclear power.

Uranium exploration and extraction

Commission proposal for a Research and Development Programme. Mr Veronesi's report. Motion tabled approved the Commission's proposal.

It is estimated that the Community's need for uranium will grow from the 6,000 tonnes used in 1976, to 12,500 in 1980, 18,000 in 1985 and 28,000 in 1990. The difficulty at present is that the Community imports about 80 per cent of the uranium it needs from third countries. To help remedy this short-fall the Commission is proposing to give backing worth 4.65 m u.a. (1.95m pounds) to research and development in the Member States over the next three years (1978-1980). Parliament endorsed this proposal.

Fruit and Vegetables, technical change in basic regulations

Mr Pucci's report. Motion tabled approved Commission's proposal.

The last item in Parliament's business this evening concerned technical changes in the basic regulation governing the common market in fruit and vegetables and a regulation designed to encourage the processing of certain types of orange.

Vote

The House agreed to the motions in the reports by Mr Osborn (Energy policy aims for 1985), Mr Veronesi (Uranium exploration and extraction) and Mr Pucci (Fruit and vegetable regulation). The first two were agreed to without amendment but an amendment by Mr Ligios to the third motion was accepted. The effect of this amendment is to ask the Commission: 'to extend the Community aid provided for citrus fruit to bergamot oranges and citrons'.

TUESDAY, 13th December 1977

Budget

Mr Cointat's reports on the budgets of the European Parliament, Economic and Social Committee and Court of Auditors (Docs. 444/77, 446/77, and 440/77).

Mr Cointat's (Fr,EPD) three reports concerned amendments to the budgets of the European Parliament, the Economic and Social Committee and the Court of

Auditors. The rapporteur asked the House to approve amendments in respect of the European Parliament's budget concerning mission expenses, the addition of new translators' posts and increased expenditure on office equipment. For the Economic and Social Committee, he asked for the addition of four new posts to the establishment plan, and called for a number of changes to the establishment plan of the Court of Auditors. Speakers in the debate gave their general approval to these amendments, although Mr Aigner (Ge,CD) said he objected to the increase in the establishment plan of the European Parliament's Translation Service.

Financial regulation

Conciliation regarding the Financial Regulation of the Communities. Mr Shaw's report (Doc. 434/77). Motion tabled broadly welcomed outcome of conciliation.

The Financial Regulation is a document provided for under Article 209 of the Rome Treaty setting out the detailed rules which govern presentation and implementation of the Community's budget. It originally came into force on 25 April 1973, but changing conditions and the approval of the Treaty of 22 July 1975 (giving Parliament certain new budgetary powers), made necessary a number of amendments.

The key changes were hammered out between Council and Parliament at three 'conciliation meetings' held on 7 and 22 November and 7 December 1977. These changes included nomenclature commitments, borrowing and lending, separating commitment appropriations from payment appropriations in the budgetary procedure, research and investment amendments, control and transfers.

As rapporteur Michael Shaw (Br,EC) pointed out, it was the last of these – transfers – that Parliament regarded as being of crucial significance. Under the changes agreed with Council, Parliament now has the last word on transfers of non-compulsory expenditure within the budget. On control, an item – to be regarded as binding – was entered into the minutes of the meeting of 7 December under which the budgetary authority (Parliament and Council) can obtain any relevant information on the budget from any of the Community's institutions.

In the debate that followed, speakers welcomed the results obtained in the conciliation meetings and agreed that the new Financial Regulation was generally satisfactory. Mr Heinrich Aigner (Ge,CD) – echoed later by others –

described the meetings as representing an historic 'first common legislative act between Council and Parliament'.

Commissioner Christopher Tugendhat, replying, agreed with Parliament's view that the Financial Regulation should be renewed at three-yearly intervals. Council President Mark Eyskens told the House that the new regulation would be formally adopted by Council before the end of the year.

Budget

Parliament's second reading of the Community's budget for 1978. Debate hinges on disagreement over appropriations for the Regional Fund. Council negotiates openly with Parliament; if Regional Fund commitments figure adhered to this year it could be negotiable in 1979 and 1980.

Budget for 1978

Date		Payments		Commitments	
		mEUA	m pounds	mEUA	m pounds
10.05.77	First exchange of views				
7.07.77	Preliminary estimates	12,404	8,077	13,139	8,556
	Council makes cuts of	446	290	863	562
13.09.77	Council's draft	11,958	7,787	12,276	7,994
26.10.77	Parliament seeks to restore	618	402	942	613
	Parliament's first reading	12,576	8,189	13,218	8,607
22.11.77	Council accepts	171	111	87	57
	Draft (plus other items)	12,192	7,939	12,418	8,086

Opening this morning's debate on the Community's budget for 1978 Mr Michael Shaw (Br,EC), rapporteur, advised the House of the results of the Budgets Committee meeting last evening. The Committee had voted by a majority of 19 – 5 to add 52m EUA to the payments part of the budget and 129m EUA to the

commitments section. In other words it had confirmed the amendments agreed to at its meeting in Brussels on December 5 and 6. The Committee had also balked at the European Council's decision on the Regional Fund. The amount being envisaged for the commitments section of the Regional Fund for 1978 was 580 million. The Budgets Committee voted to increase this to bring it up to the figure of 750m EUA which the European Parliament as a whole had called for as long ago as October. The Committee wanted 65 million added to the payments section. The European Council's line had placed Parliament in a real dilemma both because of its substance and its timing.

As to the substance, Parliament was disappointed to find that after the Budget Council of November 22, when the Ministers had agreed to a real and substantial increase in the Regional Fund for 1978, the European Council was not even thinking of a sum around 643m EUA, which the Regional Committee suggested represented the same level of commitments as in 1977 after taking inflation into account. As for the timing, the European Council's meeting of December 5 and 6 had left Parliament with very little time to consider its position.

This for Mr Shaw was a source of deep dissatisfaction especially as such excellent progress had been achieved in the dialogue between Parliament and Council in other areas. And he reminded the House how far the Council had come since September. At that time Parliament had criticized Council for putting economic stringency before economic coherence; and the Council had thought again and listened seriously to Parliament's concern about the level of spending being envisaged for social policy, energy, aid for developing countries and industrial policy.

Mr Mark Eyskens, Belgian Finance Minister and current President of the Council, also spoke of the progress made between Parliament and Council. He underlined the advantages of the new European unit of account and the new financial regulation. He spoke of 'frank and open cooperation'. And he reminded the House that the Council was now putting some 48.95 per cent more into payments for 1978 than in 1977. 17.88 per cent was the corresponding figure for commitments, and he hinted that the Council might be amenable to accepting some of the amendments Parliament was calling for in regard to payments for next year. He could not go along with the 140m EUA in commitments Parliament wanted, but suggested a figure of 40 million. But whereas there might be agreement on these points, he could see little choice but to accept the figure of 580 million for Regional Fund commitments for 1978. He urged Parliament to accept this, otherwise what he called 'the best year in

our relationship' could be at risk. Mr Eyskens added that some increase in the payments side of the Regional Fund might be possible.

For the Commission Mr Christopher Tugendhat took a similar view. He agreed that Regional Fund commitments came under the non-obligatory side of the budget and were in an area in which Parliament could bring pressure to bear on the Council. Equally he felt that the Council could not confront Parliament with a 'fait accompli'. This said, he suggested that the figure of 580 should be accepted but warned that there was little that could be done about the actual relationship between commitments and payments in the Regional Fund. The Commission would do what it could but its scope was limited. Mr Tugendhat also had some criticism of the way in which the budget was established. He criticised in particular the across-the-board cuts made by the Council in the draft budget and the across-the-board restitutions that seem to follow almost inevitably. He felt it would be to some point if the Spring meeting of Finance and Foreign Ministers could outline the main budgetary options for the year following to allow for clearer choices at an earlier stage.

Call for compromise

The debate was then thrown open and Lord Bruce of Donington (Br), for the Socialists, wasted no time in expressing his scorn for the idea that a political crisis might result if Parliament were unable to go along with the 580m EUA (377m pounds) for the commitments side of the Regional Fund. The difference between the two sides here was 222 mva (92m pounds) and was 'ridiculously small'. It was less than 1/50 of expenditure under the Common Agricultural Policy. He reminded the House that twice this amount was spent storing rotting butter and deteriorating skimmed milk. By contrast Regional Fund expenditure brought real advantages. In 1975 the Fund's operations had saved or restored 60,000 jobs and the figure for 1976 was 55,000. In spite of all this the rich regions were still getting richer and the poor poorer. And there were still nearly 6 million people out of work. The people of Europe, he said, were entitled to expect some progress year by year and some evidence of a political will to go forward.

Mr Heinrich Aigner (Ge), CD spokesman, said that he personally might be willing to compromise if the payments side of the Regional Fund were nearer to 525m EUA (341m pounds) in the first year. He made this suggestion acknowledging the tremendous successes achieved with the budget this year. He was also impressed by the fact that commitments were up nearly 18 per cent and payments nearly 49 per cent on last year.

QUESTION TIME

QUESTIONS TO THE COMMISSION

1. Relations between Commission and Parliament (John Corrie)

Commission President Roy Jenkins told Mr Corrie (Br,EC) that he stood by his statement earlier this year that the Commission would treat Parliament as if it were already directly elected. The Commission had taken steps to improve relations in three areas: it had made increased use of the concertation procedure (which it had used 7 times this year, compared to 3 times in the same period in 1976); it had intensified its efforts to ensure that its proposals were in line with parliamentary thinking; and it had adopted more of Parliament's amendments to its proposals (68 per cent this year compared to 52 per cent in 1976).

Replying to a question from Mr Ludwig Fellermaier (Ge,S), who said that the percentages quoted did not necessarily reflect the importance of the amendments, Mr Jenkins said that as long as disagreement between Commission and Parliament remained limited to tractor seats, there did not appear to be any major areas of contention between the two institutions. Mr Jenkins agreed that Members of the Commission aimed to be present at parliamentary committee meetings falling within their fields of responsibility at least once a month – but there would inevitably be occasions when this was not possible.

2. Notification of Parliament by the Commission (Egon Klepsch)

In a related question Mr Jenkins told Mr Klepsch (Ge,CD) that the Commission did all in its power to avoid giving notice of its intentions to the press or public at large before having informed Parliament. In the case of a recent incident in which a Commission spokesman had given full details about a Commission proposal to the Brussels Press Corps only one day after Vice-President Ortoli had failed to provide the same information to the Parliament, Mr Jenkins explained that the final decision on the matter in question had been taken by the Commission late on Wednesday night after Mr Ortoli had addressed Parliament but before the Brussels press briefing. He pledged himself to providing Members of Parliament with precise information whenever asked, and said he would welcome the opportunity of participating in a full-scale debate in the European Parliament on economic and monetary union.

3. Harmonization of radio and TV broadcasting provisions (Kai Nyborg)

Mr Jenkins told the House that the Commission had no plans for harmonizing Member States' different rules on radio and TV broadcasting, although the Commission would be prepared to look into any breaches of Rome Treaty Article 101 (distortion of competition) in which broadcasting undertakings might be involved.

Vote

The House agreed to the motion in the report by Mr Shaw (financial regulation), debated earlier in the day.

The budget for 1978 (continued)

In the resumed debate on the budget the three considerations uppermost in the minds of most speakers were the need to seek a compromise, the need to improve the budgetary procedure and the need to do something about the agricultural part of the budget.

Lord Bessborough (Br), for the European Conservatives, Michel Cointat (Fr), for the European Progressive Democrats and Martin Bangemann (Ge), for the Liberals, all argued the case for compromise. But Mr Altiero Spinelli (It), speaking for 'the majority of the Communists' took up Lord Bruce's complaint about the disparity between farm policy spending and expenditure in other areas. 'We must say "no" to this budget', he said.

As for procedure, Lord Bessborough said 'the uncertainty concerning Parliament's margin of manoeuvre must be removed.' And Mr Cointat added that Parliament had to challenge the European Council's indications regarding the Regional Fund: its power could otherwise be completely undermined. He, for his part, suggested an addition to the commitments side of the Regional Fund for 1978.

As for expenditure on the Community's agricultural policy, Mr Erwin Lange (Ge,S) suggested it was so great that it sapped the will to launch into policy-making in other areas.

Replying to the debate, Mr Eyskens said the Council would go to 70m EUA (45m pounds) in additional commitments and this would represent an increase of 21.58 per cent over 1977. As for payments, the Council could accept 30m EUA (19m pounds). This was over 50 per cent higher than this year.

Replying for the Commission, Mr Tugendhat took up a point raised by Mr Tam Dalyell (Br,S): he thought the disadvantages of having a twelve month term of office for the Council President outweighed the advantages, although one disadvantage was that Mr Eyskens's term was now ending.

Mr Michael Shaw, summing up, shared this tribute to the Belgian Presidency although he too concluded by calling for a realistic review of the whole budgetary procedure.

Own resources

Council's joint position on Commission's proposals for giving effect to the Community's 'own resources' system. Mr Notenboom's report (Doc. 445/77). Motion declined opening conciliation procedure with Council. Mr Tugendhat replied.

The Council has adopted a 'joint position' on Commission proposals implementing the Community's 'own resources' system. Although the Budgets Committee considers the proposals to be less than perfect, it is opposed to entering a time-consuming conciliation procedure with Council, which might result in the deadline of 1 January 1978 for own resources not being met. It believes, instead, that the regulations should be reviewed later in the light of experience.

ECSC budget for 1976

Mr Bangemann's report (Doc. 421/77). Motion tabled asked for discharge to be given to the Commission in respect of the ECSC's financial activities in 1976. Mr Tugendhat replied.

ECSC levy for 1978

Mr Ripamonti's report (Doc. 439/77). Motion tabled approved Commission's proposals for an operational budget of 152m EUA (98.n million pounds) and called for the levy to be kept at 0.29 per cent. Mr Tugendhat replied.

Mr Outers, President of the Council, made a statement to Parliament on the outcome of the Council's meeting on 28 November 1977 concerning development questions.

Company taxation and taxes on dividends

Mr Jochen van Aerssen's report (Doc. 291/77). Motion tabled approved Commission proposal to harmonize taxation systems in regard to company taxation and withholding taxes on dividends. Mr Burke replied.

WEDNESDAY, 14th December 1977

European Council meeting: statements by Council President Mr Henri Simonet and Commission President Mr Roy Jenkins

Addressing the House for the last time as President of the Council – the Belgian presidency ends at the end of December – Mr Henri Simonet outlined the main results of the European Council meeting of 5 and 6 December, and then went on to look back at what the Community had achieved over the past six months.

European Council

Here the main achievement lay in the agreement on the interpretation of Article 131 of the Rome Treaty, which will allow the introduction of the European Unit of Account as the Community's budgetary 'currency'. This, together with adoption of the 'Sixth Directive' on VAT means that the Community can now be self-financing as of 1 January 1978.

A broad measure of agreement had been reached on the size of the Regional Fund. And the European Council had given intensive consideration to the Commission's latest proposals on economic and monetary union. A date for holding direct elections to the European Parliament had not been fixed because of legislative delays in the UK Parliament. Mr Simonet hoped that the elections would take place, if not in May/June, then at least before the end of 1978.

The Belgian presidency

Mr Simonet felt that the last six months had seen 'real progress towards European integration'. Culminating in the decisions taken at the recent European Council meeting, Mr Simonet mentioned agreement on JET (here he paid tribute to the West German government for their constructive approach), Community participation in INFCE (International Nuclear Fuel Cycles Evaluation), and solidarity among the Nine at the Belgrade conference and in preparing for the 32nd UN General Assembly as illustrating this progress. In the field of foreign relations Spain had applied for EC membership, protocols had been signed with Cyprus extending the Association Agreement, progress had been made in relations with COMECON, and an EEC-China agreement would now be negotiated.

Looking to the future, Mr Simonet said effort would be needed to consolidate what had been achieved so far – and here he cited the necessity of preserving the European currency 'snake', which had a symbolic value as an index of Europe's resolve.

President Colombo paid tribute on behalf of Parliament to the Belgian presidency and to Mr Simonet personally for his own invaluable contribution to its success.

Speaking for the Commission, President Roy Jenkins began in the same vein. He praised Belgium for its successful term in the Council Chair. And he praised the skill of Mr Leo Tindemans in the conduct of last week's European Council meeting. This had been the most successful of the three summits he had attended. It had dealt with the difficulties over Article 131 of the Rome Treaty (basically who is to pay what into the Community budget in 1978 and 1979); it had given the go ahead to plans for a 650m pound loan to stimulate the development of energy resources; it had agreed to a new three-year term for the Regional Fund; and it had given a 'fair wind' to studies into economic and monetary union.

Mr Jenkins had told the European Council that he saw no way of tackling the problems of unemployment – likely to reach 9 million by 1985 – enlarging the Community or attending to the disrepair of the world monetary system without 'a new, practical and non-utopian impulse to the old idea of economic and monetary union in Europe'.

Another urgent problem had been the Community's relations with Japan. Mr Jenkins had had talks in Tokyo, and these would be continuing, about the size of the Japanese balance of payments surplus. The Japanese Government, he added, now had a package of measures under consideration. Lastly, Mr Jenkins welcomed the Council's decision to set up a European Foundation.

Speaking for the Socialist Group, Mr Ludwig Fellermaier (Ge) was unstinting in his praise for the Belgian Presidency. Mr Simonet's own record would be a yardstick for future presidents. This said, he asked if it was reasonable for the term of office of Council presidents to be limited to six months. Then, in common with previous speakers, he welcomed the achievements of the European Council but what, he wanted to know, would be the procedure for dealing with the new loan capability. Would this side-step the budgetary authority of the European Parliament? He said he would like an answer from Mr Simonet on this point. Lastly, he asked whether Belgium's example in making statements to the House following important Council meetings is going to be followed. He instanced last evening's statement following a Development Ministers' Council. Would the same apply after meetings of Farm Ministers?

Fear for direct elections

Mr Egon Klepsch (Ge), speaking for the Christian-Democratic Group, also praised Mr Simonet and welcomed the results of the European Council. They had gone down very well with the European public at large. They would provide a valuable impetus in the conduct of the Community's day-to-day business. But these decisions could have been taken by any Council. At the same time he pointed out that the European Council had said nothing about enlargement or about its associate Turkey which was now on the verge of bankruptcy. What conclusions could be drawn from this summit? Turning to the Regional Fund and the sum of 1.85bn EUA (1.2bn pounds) mentioned, he feared that the public might conclude that this was the amount that might actually be spent. And, turning to the Tindemans Report, Mr Klepsch wondered why this had not been mentioned.

Lastly, with reference to the vote in the House of Commons on direct elections last night, Mr Klepsch expressed his 'bitter disappointment'.

This feeling of disappointment was the leitmotiv of Mr Cornelis Berkhouwer's (Du) remarks on behalf of the Liberal and Democratic Group. He agreed with Mr

Klepsch that it was very disappointing for the general public not to know for certain when the first European elections would now take place. All kinds of dates were being suggested. As for the system the UK Parliament had opted for it was, he said, 'obsolete, ancient and unjustified ... millions of votes could simply not be valid ... the consent of voters would not be taken into account ... my Liberal colleagues are highly disappointed'.

Making his maiden speech in the European Parliament, Mr Ruairi Brughla (Ir,EPD) said the Community had been in stagnation ever since the 1972 Summit -- 'the high point of European idealism'. He rejected the idea of the European Council as being a sort of 'appeal court' where routine issues came up for final decision after failure to agree in regular Council meetings. And he, too, wondered how long European citizens would now have to wait for direct elections.

Lord Bessborough, for the European Conservatives, welcomed the results of the European Council meeting, and particularly the fact that the 'EMU corpse' was now showing new signs of life. For the Communists, Mr Carlo-Alberto Galluzzi (It) regretted the lack of detailed and radical decisions at the European Council, without which the Community could never make progress. Mr Alfred Bertrand (Be,CD) paid tribute to the achievements of the Belgian presidency though he was concerned that the Community loans agreement still lacked form, that the North-South dialogue was in impasse and that the date of direct elections was completely uncertain.

From the Chair Vice-President Hans-August Lückner then interrupted the debate to give the floor to Commissioner Guido Brunner.

EC agreement with Canada on uranium: Commission statement

Commissioner Brunner told the House that the Community had reached a preliminary agreement with Canada, after difficult negotiations, on the supply of uranium. The interim agreement would be valid for three years and gave the Canadians comprehensive control rights. Deliveries of uranium could recommence at the beginning of 1978. A final decision on the agreement would be taken at the Foreign Ministers Council meeting on 20 December next.

QUESTION TIME

QUESTIONS TO THE COUNCIL

Mr Henri Simonet, Belgian Foreign Minister and current President of the Council, replied.

Steel (Sir Geoffrey de Freitas)

Opening what proved to be a mini-debate, Mr Simonet told the House that the Council had discussed the steel crisis on November 20th and would do so again on December 19-20th. One of the points to be covered was talks with the United States and Japan. (Sir Geoffrey had insisted on the importance for the Nine of acting together, especially in view of protectionist pressures on Washington). Mr Simonet said the basis for these talks would be Commission proposals for regulating markets, prices and production. He took points made by Mr Osborn (Br,EC) and Mr Normanton (Br,EC) who were both worried about the Community's response to the crisis. He said that the climate had changed over the last year; and, with thousands of jobs and the whole industry's future under threat, the will to act was far more in evidence. Mr Scott-Hopkins (Br,EC) then pointed out that in Washington the view was that EC steel was subsidized. Member States were helping steel firms, replied Mr Simonet; his fear was that the United States might take cases of dumping as a pretext for protectionism. Mr Cousté (Fr,EPD) asked if it would not be better to declare steel to be in a state of 'manifest crisis' under the terms of the Paris Treaty. Mr Simonet thought this would be only a palliative. Mr Evans (Br,S) suggested reflation by some Member States as an answer. Mr Simonet thought the real trouble was that many EC producers were not competitive. Spain, South Africa and Australia, for example, had all come recently to steel making and were increasing their share of the market. Mrs Ewing (Br,Ind) suggested self-sufficiency. Mr Simonet replied that the Community was self-sufficient in steel. But it also exported. To close the EC market would provoke the same reactions elsewhere.

Jet (Mr Dalyell)

Mr Simonet told Mr Dalyell (Br,S) that the Council would have to go on looking for unanimity in its decision-taking. The practice whereby Member States abstained without this holding up decisions was a possibility. Mr Dalyell

suggested the six-monthly revolving presidency might have played a part in the decision-lag on JET. Mr Simonet thought not.

Scandinavian competition (Mr Kai Nyborg)

Mr Simonet told Mr Nyborg (Da,EPD) of rules governing competition in the agreements between the Community and Scandinavian countries. Mr Nyborg said that state aid to ship's plate makers in Norway and Sweden represented a serious threat to Danish firms. Mr Simonet said this was a matter for the Commission. Mr Prescott (Br,S) suggested that the Rome Treaty needed to be re-examined. Mr Simonet replied that some states were pursuing this aid policy and it did conflict with the Rome Treaty. But it was not the EC which was responsible.

Health ministers Council (Mr Pierre Lagorce)

Mr Simonet told Mr Lagorce (Fr,S) that the Council of Health Ministers met yesterday and gave him details, in writing, of their discussion. Mr Prescott was struck by the fact that an Agriculture Council could be meeting in one room discussing how butter sales could be boosted with a Health Council in another room discussing how butter consumption could be cut in the interests of people's health. Perhaps they should get together? Mr Simonet suggested that similarly divergent views were probably held within the British Government. Mrs Kellett-Bowman (Br,EC) was disturbed to note that there were staff concerned with health in nine different departments at the Commission. Mr Simonet said it was not for him, even as a former Commissioner, to reply.

Enlargement (Mr Michel Inchauspé)

Mr Simonet said the Commission had still to give its opinions on applications for membership.

Asean (Mr Hans-Edgar Jahn)

Mr Simonet said that a study group had been set up in May 1973 to look into ways of promoting trade between the Community and Asean. Measures so far

taken included generalized preferences, aid to Asean countries as non-associates and arrangements covering different sectors such as jute, handloom weaving and textiles.

Closure of Ferenka (Ireland) Ltd. (Mr Liam Kavanagh)

Mr Simonet told Mr Kavanagh (Ir,S) that the Council had as yet received no specific proposals from the Commission on control of multi-nationals. Mr Kavanagh pointed out that some 1400 people had been thrown out of work in Limerick following closure of Ferenka Ltd.

QUESTIONS TO THE FOREIGN MINISTERS OF THE NINE MEMBER STATES OF THE EUROPEAN COMMUNITY MEETING IN POLITICAL COOPERATION

Abuse of psychiatry in the Soviet Union (Lord Bethell)

Mr Simonet told the House that the foreign ministers had taken note of the European Parliament's resolution but had not in fact raised the matter at the Belgrade CSCE follow-up conference.

Vote

Parliament agreed to the motions contained in the reports by Mr Notenboom (own resources), Mr Bangemann (ECSC budget for 1976) and Mr Ripamonti (ECSC Levy for 1978), debated on Tuesday.

It rejected the motion contained in the report by Mr van Aerssen (company taxation and taxes on dividends), debated yesterday evening.

European Council of 5-6th December (continued)

Mr Schelto Patijn (Du,S) reserved his remarks for direct elections. He pointed out that the Belgian Parliament had now ratified the Act and Denmark which had originally expressed doubts - had also completed the legislative procedure on the bill. That left Britain. Yesterday's voting in the Commons meant, if

nothing else, that the British Parliament had at least decided on a system. But the system chosen was not only unrepresentative, it also put a final end to hopes that direct elections could take place in May-June 1978. That said, what was now vital was for the Council to agree on a firm date for the elections to take place.

Replying to the debate as a whole, Mr Simonet said that the new loan facility would involve Commission proposals on which Parliament would be consulted. He could not say whether the loans would go with the budget as Mr Lange (Ge,S) had asked. On the timing of the first European elections, the date would be decided once and for all at the next European Council in April or at a Foreign Ministers meeting in January. He understood that the United Kingdom might have a clearer idea of the possibilities by mid-January. (On this point Mr Spicer had assured the House that the vote could still be on time for the first European elections if the will was there, and has urged the Council to bring pressure to bear to achieve this result).

Turning to Mr Klepsch's comments, Mr Simonet did not think it helpful to decry what had been achieved. What would Mr Klepsch have said if there had been no result at all? Lastly he thanked the House for the courtesy and consideration with which he and his Belgian colleagues had been received.

Motion on Sadat and Begin meeting

Speakers from all political groups this evening endorsed a motion tabled by Mr Alfred Bertrand (Be,CD) on behalf of the Political Affairs Committee on the meeting between Mr Sadat and Mr Begin. The motion welcomed the 'courageous and historic initiative' by the two statesmen in establishing contact between their two governments, appealed to the other nations concerned to join the dialogue and supported the efforts made to open overall negotiations. It also appealed to the Community institutions and the governments of the Member States to encourage progress towards peace in the Middle East.

Imports threatening jobs (EPD question)

Mr Simonet and Mr Cheysson replied. General agreement on resisting protectionism but 'freedom of trade now has to be organized at world level'.

Replying to a question put down by the European Progressive Democrats, Mr Simonet outlined the measures being taken at EC level with respect to imports

currently flooding the Community markets. Mr Cheysson, for his part, was concerned at the tone of a motion tabled on this subject. He urged the House to bear in mind the difficulties of some of the exporting countries concerned.

Mr Durieux (Fr,L) however, pinpointed the Community's dilemma: how to resist protectionism and, at the same time, contain the massive imports threatening the very existence of certain sectors.

'Freedom of trade now has to be organised at world level' he concluded, quoting what Mr Giscard d'Estaing said at the May Summit.

Ratification of EC agreements (CD question)

Mr Simonet and Mr Cheysson replied.

Mr Krieg, (Fr,EPD) speaking for the EPD Group, took up the point made in the CD question: is the ratification of EC agreements by Member States legally sound or politically desirable? Surely the European Parliament might play a bigger part here, especially in view of the financial aspect of many of these agreements.

External agreements concluded by the Community (Question put down by External Economic Relations Committee)

In reply both Mr Simonet for the Council and Mr Cheysson for the Commission made substantially the same points: that the ratification procedure depended on the content of the agreements. Straight trade agreements coming under Art. 113 of the Treaty were not subject to ratification. Agreements containing financial protocols, on the other hand, would be a matter for Parliament as of 1 January next year because the measures involved would be part of the budget. Cooperation agreements on the other hand had never been precisely defined and Mr Cheysson for his part was unsure whether a precise definition was necessary or desirable. Mr Simonet, for example, had quoted the Lomé Convention which was concluded under Art. 238 of the Treaty. It did not, however, make any reference to association because the contracting parties did not wish it to do so.

Mr Cheysson added that ratification by the Member States had its advantages: it helped to avoid Member States concluding their own bilateral agreements and it

provided a useful test of the measure of public support the agreements could expect.

Trade Cooperation Agency (Development Committee question)

The Committee on Development and Cooperation wanted to know if the Council had examined the Commission proposal establishing a European Agency for trade cooperation with the developing countries.

In reply, Mr Simonet told the House that the Commission had submitted a proposal for a regulation to the Council in October 1976. The proposal, which was based on Arts. 113 and 235 of the EEC Treaty, laid down that the task of the Agency would be to implement measures enabling the Community to achieve its objectives in the area of trade relations with the developing countries by means of projects relating to generalized preferences and the promotion of trade.

Following lengthy consideration within the Council, it had been decided that the entire question should be reviewed. The Council was now awaiting the possible submission of a new Commission proposal on the subject.

Payment of \$385 million to the International Development Assoc. (IDA) (Question by Mr Dewulf)

Mr Dewulf (Be,CD) asked the Council what measures it had taken to implement the Community's decision to pay \$385 million into a special account of the IDA.

Mr Simonet replied as follows:

'At its recent meeting on 28 November, the Development Co-operation Council approved the mandate given the Community Representatives to negotiate the Agreement to be concluded with IDA on how the Community contribution was to be used. This contribution will therefore become operational very shortly.

The Agreement to be concluded with the IDA will take the form of a joint agreement to be signed by both the Community as such and each of the Member States.

Despite the fact that the Community contribution comes from resources put up by the Member States in accordance with the agreed scale, the procedure involved clearly goes beyond merely coordinating Member States' participation and is in fact of an entirely Community nature'.

THURSDAY, 15th December 1977

The Community's budget for 1978

The European Parliament today voted to add 170m EUA (111 million pounds) to the payments side of the 1978 budget. At the same time it voted to add 270m EUA (176 million pounds) to the commitment side. On the controversial question of Regional Fund appropriations Parliament voted to add 1m EUA (0.65 million pounds) to the commitments side and 135m EUA (88 million pounds) to the payments side. This means that for 1978 the Fund will stand at 525m EUA (342 million pounds) in respect of payments and 581m EUA (378 million pounds) as regards commitments. This despite the fact that the Commission believes that the payments figure corresponding to commitments of 580m EUA (377 million pounds) would be more in the region of 460m EUA (300 million pounds).

To sum up, therefore, the European Community's budget for 1978 stands, as of now, at 12.362bn (8.04 billion pounds) in payments and 12.688bn (8.26 billion pounds) in commitments.

The budget as it now stands pre-supposes an increase in Parliament's margin of manoeuvre. This being the case it is now for the Council to signify whether it agrees to the change involved. It is expected to give its opinion either tomorrow or early next week. Should the Council fail to agree to the amendments Parliament voted on this morning, the budget cannot of course stand adopted and the Community will revert to the system of twelfths for 1978 until such time as the budget is adopted.

On the controversial amendment No 54 this morning which sought to put 750m EUA (488 million pounds) in the Regional Fund, the voting was 82 in favour with 28 against and 12 abstentions.

1 EUA = 0.651186 pounds.

The Community budget for 1978

Sector	Commitments		Payments	
	m EUA	m pounds	m EUA	m pounds
Agriculture	9,182	5,979	9,132	5,947
Social policy	593	386	559	364
Regional policy	581	378	525	342
Energy	325	212	294	191
Development aid	537	350	381	248
	11,218	7,305	10,891	7,092
Staff	387	252	287	252
Running costs	106	69	106	69
Information	13	8	13	8
Subsidies	45	29	45	29
	551	358	551	358
Contingency reserve	5	3	5	3
Cost of collection	690	449	690	449
Commission total	12,464	8,116	12,137	7,903
Other institutions	225	146	225	146
GRAND TOTAL	12,688	8,262	12,362	8,050

Commission statement on farm prices

Vice-President Gundelach this morning told Parliament that the Commission would be submitting proposals to increase farm prices in the 1978-1979 marketing year by just under 2 per cent. This figure was modest, Mr Gundelach

said, but would be effectively higher (on average 1 per cent) in countries whose currencies had been devalued (eg. the UK and Ireland). It would, conversely, be less in countries with revalued currencies (eg. Germany, Benelux).

The Commission would also be submitting a package of aid proposals aimed at helping Mediterranean agriculture — particularly the olives, fruit and wine sectors. These proposals were being made against the background of enlargement of the Community, but their emphasis was very much on the present, Mr Gundelach said.

On monetary compensatory amounts (mcas), the Commission was proposing their gradual abolition on a 'semi-automatic' basis over a 7-year period.

Answering a question from the floor of the House, Mr Gundelach agreed that the 2 per cent increase would not in all cases meet rising costs — but one of the intentions was to discourage investment so as to put a brake on production and thus reduce surpluses.

QUESTION TIME

QUESTIONS TO THE COMMISSION

1. Anti-trust (Bob Edwards)

Mr Ortoli told Mr Edwards (Br, S) that the Commission was cooperating with the USA and Japan in endeavouring to deal with international trusts and was doing so on the basis of OECD recommendations. But it was hampered by laws restricting the release of information about firms.

2. Hoffman La Roche (John Prescott)

Mr Ortoli told Mr Prescott (Br, S) he hoped the Court of Justice would give a ruling on the Hoffman La Roche appeal case in the first half of next year. Meanwhile the Basel Court had confirmed its verdict against Mr Adams, to whom the Commission was continuing to give support.

3. Tachographs (John Evans)

Mr Gundelach said he hoped that EC rules on driving hours and rest periods would be introduced in the UK and Ireland in a series of defined stages. He agreed with Mr Bob Mitchell (Br, S) that the cost should be looked into (Mr Mitchell said that in Southampton, for example, the cost could be half a million pounds per annum). But cost had to be seen in the broadest sense. It was also, he felt, a matter of education. And, he told Mr Evans, he was aware of British lorry drivers' hostility to tachographs.

4. Steel industry (Sir Geoffrey de Freitas)

Mr Ortoli said that the Commission and Council would be continuing their talks on the steel crisis on Monday. He agreed with Sir Geoffrey it was important for the Nine to act together, especially in view of protectionist pressures in Washington which might prompt bilateral arrangements with the Nine severally rather than jointly.

5. Phosphate fertilizers (Luigi Noè)

Mr Ortoli agreed with Mr Noè (It, CD) the EC was at a disadvantage as compared with the US in the phosphate fertilizer sector. The Commission was keeping the problems under review; North African suppliers were among the factors being considered he told Mr James Scott-Hopkins (Br, EC).

6. Black Sea uranium (Tam Dalyell)

Mr Brunner had not yet been to Turkey. He had been kept in Brussels discussing uranium with Canada so it was too early to say if he could make a statement on Black Sea uranium on his return. On the other hand, Mr Ortoli felt, there was every reason to suppose joint ventures and the purchase of uranium could be discussed when Mr Brunner did go to Turkey whose importance as a Community Associate must be borne in mind.

7. Energy pricing (Tom Normanton)

Mr Ortoli reminded the House that the present economic crisis had had its origin in the sudden swift rise in oil prices. He thought that energy prices were high

enough as it was, although he was not sure — he said in reply to Mr Tom Ellis (Br, S) — that discussions of a minimum selling price were wholly academic. Mr Normanton (Br, EC) had suggested the prices of such a rare commodity as oil were too low; it was used too wastefully and the price level needed was one which would restrain consumption and promote investment.

8. Potato marketing (James Scott-Hopkins)

Mr Gundelach assured various UK Members that the Potato Marketing Board was not under threat. The Commission had made proposals to the Council for a European marketing organization. It was now up to the Council.

9. Reduced-price butter sales (Charles McDonald)

The Commission would be making new proposals for subsidizing butter sales during 1978, Vice-President Gundelach told Mr McDonald (Ir, CD). He agreed that not all the schemes so far used had necessarily had the intended effect, namely to reduce butter stocks. Where butter was put on sale at reduced prices to the general public, there was evidence that people bought it up and put it in the deep-freeze — this of course did not increase actual consumption. (The Commission had financed such sales by some 52m u.a. (22 million pounds)). In the case of schemes to reduce the price to underprivileged socio-economic groups, Member States had not always been willing to help meet the costs. So the Commission would reconsider the most suitable ways and means.

Vote

The House agreed to the motion it debated on Wednesday on the meeting between Mr Sadat and Mr Begin.

Towards a common fisheries policy. Commission's new proposals.

Mr Corrie's report. Mr Humblet replied for the Council, Mr Gundelach for the Commission.

Background

There are five Commission proposals now before Parliament. Together they constitute a new bid to break the deadlock between the Nine over the planned common policy for fisheries.

The first proposals were submitted over a year ago and coincided with the extension of national fishing limits.

The proposals brought out a conflict between Member States who believed that the whole Community pond should be open to all EC fishermen – right up to the shoreline – and those (UK and Ireland) who believed that there should be preferential zones of up to 50 miles surrounding their coasts.

This conflict is still unresolved. Agreement has been reached on such points as banning herring fishing and banning the fishing of pout in an area off North-East Scotland (known as the 'Norway pout box'). And these may be regarded as successes. For it is agreed that herring would soon be extinct, at least in EC fishing waters, if there were no ban. Similarly, the pout ban stops the by-catching of haddock and small whiting, which are also threatened species.

Where Member States still disagree is in their approach to conservation. The Commission's proposals are designed to pave the way for such a common line. For all revolve around this question of conservation.

The proposals

1. Conservation (COM(77) 515 final)

This proposal defines Community fishing areas; stipulates mesh sizes, the size of fish that may be kept on board, special restrictions for the fishing of whiting, herring and mackerel; trawl sizes, restrictions of salmon fishing, a ban on processing vessels, restrictions on vessel sizes in certain sea areas. Annexed to the proposal are details of net types; species covered by special rules in specific areas, a list of species and areas for which smaller nets would be authorized and a list of species subject to special regulations.

2. Control (COM(77) 513 final)

To ensure that the conservation measures proposed are complied with the Commission is proposing a system of inspection. The inspectors would be designated by the Member States in whose ports vessels dock. Skippers would be required to keep a record of their operations including details of catches and there would also be a system of control on catches.

3. Quotas (COM(77) 524 final)

The proposal concerns quotas for 1978. They are calculated per country, per area and per species. The total Community catch of plaice in the Irish Sea, for example, is 4,000 tonnes, 2,209 being allocated to the UK and 1,407 to Ireland. Off West Ireland, the EC catch is 265 tonnes, of which 256 go to Ireland. There is the same detail for sole, cod, haddock, whiting, saithe, sprat, mackerel, Norway pout, blue whiting, hake, monk, megrim, horse mackerel, herring, Atlantic herring, Atlantic mackerel, American plaice and squid.

Quotas are perhaps the most sensitive issue.

4. Capacity (COM(77) 543 final)

The Community problem is too many of the wrong sort of vessels chasing after too few fish. The aim of the Commission proposals is to encourage a switchover to multipurpose boats. This involves laying up premiums, scrapping premiums and retirement premiums – about 15-20 per cent of the 4,400 workforce will be entitled to premiums.

5. Special measures (COM(77) 531 final)

These concern herring fisheries in the North Sea and the Celtic Sea. The idea is to compensate those affected by the herring fishing ban. The compensation calculation is based on a 'theoretical volume of direct catches'. The cost to the Community (under line 7119 of the budget and article 43 of the Treaty) will be 4.5mua for the marketing year, 3 mua for the current financial year and 4.5 mua for the next financial year.

Mr Corrie's report

Mr John Corrie (Br, EC) noted that the Commission's proposals differ from the original ones on a number of critical points but he argued that they still fall short of what is required particularly as regards control. As for conservation, most of the Commission's proposals simply give a Community endorsement to recommendations agreed to by the North-East Atlantic Fisheries Commission. Turning to quotas the Commission has simply taken the NEAFC keys, the only

additional political features being those already decided upon by the Council in The Hague Declaration of November 1976.

Mr Corrie regarded the structural measures proposed as being the most important. These would help the Community fleet adjust to the new fishing limits and to the pressing need to conserve stocks. But the Commission, argued Mr Corrie, seemed to have fought shy of the major political issues. They are a satisfactory starting point which will need to be developed. Confidence in the fishing industry is vital: confidence that the Commission's proposals will achieve its aims on conservation and confidence that the proposals are actually going to work.

Mr Corrie therefore wanted the Commission to take a second look at its proposals and enlarge on them. He was particularly keen to see a system for the licensing of boats to be included. He pointed out too, that if those regions of the Community which depend on fishing were to be protected, jobs preserved and stocks conserved there would have to be conservation and reserved zones in the Community sea areas. The purely negative approach of restriction would hardly do.

The eventual aim, Mr Corrie concluded, must be to develop an active management policy based on a food chain and the competition and complementarity of fish species.

Introducing his report, Mr Corrie (Br, EC) stressed that he utterly rejected unilateral action. Fishing, he said, was no longer an art — it had become a science. "The odds against the fish are just too heavily stacked."

The answer was conservation. The package had to be comprehensive; vessels and skippers would have to be licensed, the North Sea herring ban would have to be extended through 1978, and effective control measures implemented — and these, to work, had to be seen to be equitable. Inspection vessels from one country, for example, should carry at least one inspector from another Member State.

As to industrial fishing, a system of 'mini-pout boxes' might be introduced. Special care was needed to cut down on by-catches. The ecological balance had to be considered, too — it could even prove necessary to increase fishing of a specific species in order to keep relative numbers properly balanced.

In conclusion, Mr Corrie expressed the hope that the Commission would make adequate funds available to compensate those whose livelihoods were directly affected.

Mr Müller Hermann (Ge, CD) then introduced his oral question to the Council. He wanted to know what was happening in negotiations on fishing agreements with third countries. Germany, for example, caught almost three-quarters of all its fish outside Community waters — especially in Norwegian, Icelandic and Canadian waters. But he stressed that it was difficult to formulate precise requests to third countries as long as the situation in Community waters remained unclear.

Mr Hamblet, President of the Council, recognized the feeling of impatience in the rapporteur's remarks. But, he said, the Commission had done an enormous job in formulating the fisheries policy proposals now before the House. The Council had stopped the clock and the serious negotiations now in progress would go on. The difficulty, as he saw it, lay in collecting and collating all the relevant data. And in some cases the data needed was not forthcoming. There were two new factors — the 200 mile limit which had 'changed the geography of fishing' and the shortage of fish due to the over-fishing of the North-Sea. He referred to herring in particular. The problem stemming from these would have been there anyway even if the Community had not, coincidentally, been moving towards a common policy.

There was, he said, a general agreement on the absolute need for fish conservation. The difficulty lay in how controls could be introduced, accepted and effected. Here there had been a slight 'thaw' in the positions of the Nine.

For some, the scientific data is decisive; for others the data is the base for a political decision which must take account of socio-economic factors. Quotas were the big problem: the cake measured 100 units and the Nine together wanted 145 units; they wanted more cake than there was to be had.

Then there was the coastal strip problem — due to remain at 12 miles till 1982. Here it was not certain what the Member States were seeking.

Administering a common policy with its licenses, fishing plans and preferential zones was also an area of uncertainty. There were no precise proposals as to how this could be done.

The Community had also to think of the socio-economic aspect and dealing with the structural problems of regions affected by lower catches.

Turning to relations with third countries, Mr Hamblet said that they would depend on the EC's own policy: the one affected the other. Agreements had, however, been reached with some countries. Italy's fishing rights in Yugoslavia's waters and vice versa was an example.

He hoped for an clearly agreement with Norway, though negotiations with Iceland, Poland and the USSR had been discontinued. Talks with Canada were in progress today, December 15th.

Mr Hamblet concluded by stressing the need for a common policy: only thus could the EC negotiate with others, conserve its fish and look after its fishing industry. He hoped a Council agreement would be possible on January 16th 1978.

Mr Vandewiele, (Be, CD) for the Social Committee, spoke of the thousands of people likely to be in difficulties in the fishing industry. He wanted the motion before the House amended to reflect his concern. It was not enough to compensate the skippers of boats laid up; crews too had to have compensation. This said he urged the Council to adopt the Commission's proposals.

Mr Hughes, (Br, S) for Socialists, said Mr Corrie's report showed a narrowing gap between views on fisheries policy in the European Parliament. (He pledged his Group's support for the motion before the House subject to the amendments put down by Mr Vandewiele). This did not seem to be the case in the Council.

Too many vessels

The problem was, said Mr Vandewiele for the Christian Democrat group, that too many vessels were chasing too few fish. In 1974 52,000 ships crewed by 145,000 fishermen had caught over four and three quarter million tons of fish. That was the scale of the problem we were dealing with. And at the human level the Commission should make full use of the Regional Fund, the Social Fund and the Guidance section of the EAGGF in making the situation bearable. The Christian Democrats, added Mr Vandewiele, were adamantly opposed to a 50 mile exclusive zone.

For the Liberals, Mr Kofoed said the Corrie report was indicative of the shift in opinion on fishing that had taken place over the past two years. It was illogical, he said, to have internal exclusive limits within what were Community waters. As long as resources were scarce, a quota system was the only realistic answer.

Mr Herbert, speaking for the European Progressive Democrats, agreed that the present level of over-fishing could not continue. He felt there should be a total ban on industrial fishing of some species. Ireland, he said, now hoped to increase its fishing fleet and would therefore need Community aid. And he argued that fish, for Ireland, were a natural resource just as oil or gas were for other countries. So why should not Ireland have control over it? : a fifty-mile exclusive zone was essential.

Mr Scott-Hopkins, for the Conservatives, argued that it was illogical to stamp the shamrock on Community fish inhabiting Irish waters. But he could understand the claims for control over fishing resources, particularly in the light of closure of Icelandic and Norwegian waters. Although sceptical about the theory that the biomass remained constant, if this were so it would change the outlook entirely. We should look into the matter more closely. Mrs Goutmann, the Communist spokesman, felt we should approach fishing in the same way as we approached other industrial sectors in difficulties. But she warned against the use of the word 're-structuring' — this was, she said, merely a synonym for 'dismantling'. If you restructured the fishing industry you put people out of work. Then she reminded the House that under the Manshold Plan, many farmers had left the land, but the problems of those who had remained had not diminished. One practical measure here might be to set minimum prices below which imported fish could not be landed.

Exclusive control

The longer we took to reach agreement, said Mrs Ewing, the more damage would result to stocks. We should regard fish as being in trust for future generations. Quotas, she said, should be awarded in proportion to the contribution of the coastal state concerned to Community waters. Fishing vessels should be permitted to carry only one type of net, and be built with only one hold, she suggested, so that they could fish for human consumption or industrial purposes, but not both. And she proposed that coastal states, rather than have a fifty-mile exclusive zone, should have exclusive control over a fifty-mile area. This point was taken up by Mr Prescott, who noted the shift from exclusive access to

exclusive control over quotas. This could be the compromise to break the deadlock. The most affective form of control would involve a licensing system, since fishermen would be less prepared to lose their license than to pay a fine. Skippers would then be 'policemen on the beat'. He proposed the establishment of a European Fisheries Centre, which could look into the whole complex of problems of concern to the industry.

Among the other speakers Mr Nyborg (Da, EPD) reminded the House that the biomass in the North Sea was the same in 1977 as it was in 1974. It was simply that the species were different. Mr Bersani (It, CD) for his part, discussed the regional aspect of fisheries policy with particular reference to the waters off West Africa.

Mr Brosnan (Ir, EPD) suggested that the Commission proposals had one fatal defect and that was the lack of any reference to an exclusive control zone. This point was made with equal force by Mr L'Estrange.

Mr Jensen (Da, EPD) reminded the House that Denmark is the most important fishing country in the Community. And he took issue with the United Kingdom for its blocking tactics on fisheries policy. Denmark should not allow itself to be bullied he said.

Replying to the debate, Mr Finn Gundelach told the House that the uncertainty over fisheries policy was becoming intolerable. Its most obvious fact was that the Community was unable to conclude agreements with third countries and all arrangements had to be on an ad hoc basis. This said progress had been made on conservation and control, and the talks were now focusing on the share-out of the total allowable catch. Mr Gundelach then discussed the problems of computing losses incurred through exclusion from third country waters. And here his theme was how to arrive at a fair compensation. He told the House that the Commission had revised its proposals for catch quotas twice and would be doing so a third time to take these losses into account. Turning to control, he said that Member States would be responsible for policing the waters around their coasts up to the 200 mile limit. He suggested this made references to the fifty-mile zone somewhat irrelevant. As the third country vessels, they would obtain licenses from the Commission and would be subject to control by coastal states. Coming back to losses from exclusion from the waters off Iceland and Canada, Mr Gundelach noted that these two countries now wanted to sell more fish in the Community and were urging a reduction in EC tariffs. He said that the Community could take advantage of this in seeking fishing rights in those

waters. He had not given up hope of a return to the Icelandic grounds. Mr Gundelach concluded by thanking the House for its support and saying that he hoped very much that real headway would be made at the Council meeting on 16-17 January.

Crisis in the textile industry

Tom Normanton (Br, EC), rapporteur for Parliament's Committee on Economic and Monetary Affairs, analysed the crisis in the textile industry and suggested some form of 'global quota control' as a remedy. Without it, the Community's textile/clothing industry, which accounted for 9.10 per cent of EC manufactures, would gradually disappear. As Michael Herbert (Ir, EPD) pointed out in a recent debate, the last four years have seen 'huge increases in imports which have resulted in the closure of 25,000 factories in the Community and the consequent loss of half a million jobs'. Both he and Mr Normanton point to an over-liberal imports policy, under the multifibre agreement, as the chief cause of the trouble. Unless it is radically altered, as Mr Herbert had argued, a further 1,600,000 jobs would be lost by 1982.

Mr Normanton analysed the textile crisis. As regards imports for example, he pointed out that 1,000t of imported cotton yarn led to the loss of 160 jobs in cotton mills, 1,000t of imported cotton fabrics led to the loss of 160 jobs in cotton mills and 300 in cloth mills. 1,000t of imported cotton shirts led to the loss of 1,200 jobs in the clothing industry, 300 in cloth mills and 160 in cotton mills.

Put another way, Mr Normanton showed that an additional million imported cotton shirts represented the loss of 259 jobs, one million blouses 232 jobs and one million pairs of trousers 272 jobs. The key problem, he argued, was that of imports at abnormally low prices.

The main supplier countries concerned were Hong Kong (\$2,033m exports in 1975), South Korea (\$1,148m), Taiwan (\$889m) and Poland (\$448). Their exports over the last five years had risen swiftly.

Mr Normanton put down a motion calling in particular for an increase in textile imports to be dependent on the general level of the Community economy and set in relation to the growth of the Community GNP to the extent of a half per cent increase in imports for 1 per cent increase in economic growth. Automatic

annual increases in imports were quite unjustified. An amendment to delete this point from the motion was put down by Mrs Dunwoody on behalf of the Socialist group (this amendment was carried).

FRIDAY, 16th December 1977

The House agreed to the motions in the reports by Mr Corrie (fisheries policy — after amendment), Mr Normanton (textiles — after amendment), and Mr Jahn (colouring agents)

Fresh fruit and vegetables

Mrs Dunwoody's question. Mr Ortoli replied.

The quantities of fruit and vegetables referred to had in fact been withdrawn from the market. Some of it had been processed and some given away.

The Commission did not think the intervention system was the wrong one. Only nine horticultural products came under the 'withdrawal from the market' system; Mr Ortoli reminded the House of the fluctuations in crop levels in horticulture.

Farm surveys

Mr Scott-Hopkins report. Motion tabled called for changes in Commission proposals. There should, in the rapporteur's view be two surveys: one on intensively-used land and one on other agricultural holdings. Mr Scott-Hopkins also urged that surveys be conducted with greater dispatch.

Obstacles to intra-Community trade (question by Mr Müller)

Vice-President Ortoli told Mr Müller that the Commission had informed the French Government that the administrative action taken by the Lorraine authorities hampering imports of fruit, vegetables and plants from the Saarland contravened the spirit of the EC Treaty.

Health hazards of asbestos

Report by Mr Evans (Doc. 344/77). Motion tabled called for Community-wide action.

Introducing his report, Mr Evans told the House that total control of asbestos production was needed to minimize the dangers this product caused to human health. He called in particular for generous compensation awards to those contracting an asbestos-related disease. In reply, Vice-President Ortoli said the Commission would be submitting a general programme on pollutants in February or March 1978 which would cover asbestos.

Fluorocarbons: Commission recommendation

Mr Jahn's report (Doc. 417/77). Motion tabled calls for amendments to the Commission's proposals.

Speaking on behalf of Mr Jahn, Mr Noe' referred to possible damage to this ozone layer of the atmosphere through the use of fluorocarbon in spray cans. But he felt that more conclusive evidence was needed before introducing a complete ban. Mr Nyborg referred to possible loss of jobs from a ban in production. Mr Schwabe wondered why we needed to wait for evidence – why not simply switch to alternative spray technologies – and here he demonstrated a pump aerosol spray to the House which, he said, had the added advantage of being re-usable.

In reply, Vice-President Ortoli agreed that alternative technologies should be investigated.

Political affiliations of EC staff (Petition No 13/76)

After some debate, in which speakers broadly endorsed Mr Hamilton's motion which accepted the need for screening in certain cases but urged care to ensure respect for Community principles on freedom of thought, the House agreed to refer the report back to Committee.

EC relations with Cyprus

Mr Price's reports (Docs. 411/77, 450/77)

Speaking about the Community's relations with Cyprus Mr Christopher Price (Br, S) said that it was quite disgraceful that negotiations had not yet been started on the renewal on the Community's Association. These negotiations should have been completed by the 30th June this year, the date on which the Association expired. The Association had been carried over for six months and the occasion for the debate was a Commission proposal to extend this for an additional time.

Mr Price drew attention to the difficulty of reconciling the two principles governing the Community's relations with Cyprus: that any agreement should benefit both communities on the island and that negotiations could only take place with the legal government. It was vital to help Cyprus economically as this could pave a way for a lasting political solution.

Mr John Corrie (Br, EC) endorsed everything Mr Price had said. Mr Ortoli shared the concern expressed about the delay in the renewing of the Association.

European elections

Mr Berkhouwer's motion (Doc. 449/77)

Speaking to a motion put down by his Liberal colleague Mr Berkhouwer, Mr Russell Johnston (Br) urged that a definite date for the first European elections be set as soon as possible. Mr Ortoli shared the concern expressed.

Votes

Parliament then agreed to the motions in the reports by:

1. Mr Scott-Hopkins (farm surveys)
2. Mr Evans (health hazards of asbestos – after amendment)
3. Mr Jahn (fluoro-carbons – after amendment)
4. Mr Martinelli (beef imports from Yugoslavia)

5. Mr Scott-Hopkins (a cattle tariff quota)
6. Mr Price (protocols to agreement with Cyprus)
7. Mr Price (trade with Cyprus)
8. Mr Evans (overhauling the Social Fund – after amendment)
9. Mr Berkhouwer (first European elections)
10. Mr Price (expression of sympathy with President of Cyprus)

SUMMARY OF THE WEEK

Monday, 12th December – Friday, 16th December 1977

(Document numbers in brackets)

Monday's business, 12th December

The House sat from 5.15 p.m. to 9.05 p.m.

- Commission's Second Report on the achievement of energy policy objectives for 1985, together with a draft Council resolution (Doc. 248/77). Mr John Osborn's report (Doc. 433/77). Motion tabled welcomed Commission's report. Mr Brunner replied
- Uranium exploration and extraction
Commission proposal for a Research and Development Programme (Doc. 253/77). Mr Veronesi's report (Doc. 409/77). Motion tabled approved Commission's proposal.
- Fruit and vegetables, technical change in basic regulations. Mr Pucci's report (Doc. 410/77). Motion tabled approved the Commission's proposal.
- Vote
The House agreed to the motions in the reports by Mr Osborn (Energy policy aims for 1985), Mr Veronesi (Uranium exploration and extraction) and Mr Pucci (Fruit and vegetable regulation).

Tuesday's business, 13th December

The House sat from 9.00 a.m. to 1.05 p.m. and from 3.05 p.m. to 9.35 p.m.

Budget

Parliament concluded its second reading of the Community's budget for 1978. Desire for compromise coupled with concern about procedure for agreeing Regional Fund are the focal points in today's debate. (Docs. 441/77, 420/77, 444/77, 446/77, 440/77, 434/77).

Question Time: three questions to the Commission (Doc. 437/77)

- Vote
Parliament agreed to the motion in the report by Mr Shaw (Financial regulation)
- Own resources
Mr Notenboom's report (Doc. 445/77)
- ECSC budget for 1976
Mr Bangemann's report (Doc. 421/77)
- ECSC levy for 1978
Mr Ripamonti's report (Doc. 439/77)
- Council statement on development questions
- Company taxation and taxes on dividends
Mr van Aerssen's report (Doc. 291/77).

Wednesday's business, 14th December

The House sat from 10.00 a.m. to 12.55 p.m. and from 3.05 p.m. to 9.30 p.m.

- European Council meeting: statements by Council President Mr Henri Simonet and Commission President Mr Roy Jenkins.
- Commission statements on Community agreements with Canada on uranium.
- Question Time: seven questions to the Council and one question to the Foreign Ministers of the Nine meeting in political cooperation (Doc. 437/77).
- Vote
Parliament agreed to motions contained in the reports by Mr Notenboom (Own resources), Mr Bangemann (ECSC budget for 1976) and Mr Ripamonti (ECSC levy for 1978) and rejected the motion in the report by Mr van Aerssen (Company taxation and taxes on dividends).
- Motion on meeting between Sadat and Begin (Doc. 423/77).

- Five oral questions to Commission and Council on:
 - imports threatening jobs (Docs. 363/77/rev., 364/77/rev.)
 - ratification of EC agreements (Docs. 402/77, 401/77)
 - external agreements (Docs. 405/77, 404/77)
 - Trade Cooperation Agency (Doc. 407/77)
 - payment of \$385m to the IDA (Doc. 406/77/rev.)

Thursday's business, 15th December

The House sat from 9.30 a.m. to 1.00 p.m. and from 3.00 p.m. to 10.45 p.m.

- Vote
 - The Community's budget 1978
- Commission statement on farm prices
- Question Time: nine questions to the Commission (Doc. 437/77)
- Vote
 - The House agreed to the motion it debated on Wednesday on the meeting between Mr Sadat and Mr Begin.
- Towards a common fisheries policy. Commission's new proposals. Mr Corrie's report (Doc. 442/77). Mr Humblet replied for the Council, Mr Gundelach for the Commission.
- Crisis in the textile industry
 - Mr Normanton's report (Doc. 438/77).

Friday's business, 16th December

The House sat from 9.00 a.m. to 1.05 p.m.

- Vote
 - The House agreed to the motions in the reports by Mr Corrie (fisheries policy — after amendment), Mr Normanton (textiles — after amendment) and Mr Jahn (colouring agents).
- Fresh fruit and vegetables
 - Mrs Dunwoody's question (Doc. 408/77). Mr Ortoli replied.

- Farm surveys
Mr Scott-Hopkins's report (Doc. 419/77). Motion tabled called for changes in Commission proposals.
- Obstacles to intra-Community trade
Mr Müller's question (Doc. 403/77).
- Health hazards of asbestos
Mr Evans's report (Doc. 344/77). Motion tabled called for Community-wide action.
- Fluorocarbons: Commission recommendation
Mr Jahn's report (Doc. 417/77). Motion tabled called for amendments to the Commission's proposals.
- Political affiliations of EC staff(Petition No 13/76)
Mr Hamilton's report (Doc. 336/77).
- Beef from Yugoslavia
Mr Martinelli's report (Doc. 414/77).
- Cattle tariff quota
Mr Scott-Hopkins's report (Doc. 415/77).
- Protocols to agreement with Cyprus
Mr Price's report (Doc. 411/77).
- Trade with Cyprus
Mr Price's report (Doc. 450/77).
- European elections
Mr Berkhouwer's motion (Doc. 449/77).
- Expression of sympathy with President of Cyprus
Mr Price's motion (Doc. 458/77).

Abbreviations: Br British, Ir Irish, Be Belgian, Da Danish, Du Dutch, Fr French, Ge German, It Italian, Lu Luxembourg, S Socialist, CD Christian Democrat, L Liberal and Democrat, EC European Conservative, EPD European Progressive Democrat, CA Communist and Allies, EC European Community.

New Irish Delegation

Following the General Election in Ireland last June, the delegation to the European Parliament was re-constituted, and took its place for the first time this week.

The members of the delegation are:

Senator Michael Yeats; Mr Thomas Nolan T.D.; Mr Michael Herbert T.D.; Mr Sean Brosnan T.D.; Mr Patrick Power T.D.; Senator Ruairi Brugha (all Fianna Fail, European Progressive Democrat Group); Senator Charles McDonald; Mr Richie Ryan T.D.; Mr Gerry I'Estrange T.D. (all Fine Gael, Christian Democrat Group); Mr Liam Kavanagh T.D. (Labour Party; Socialist Group).

The four new members are Deputies Brosnan, Power, Ryan, and Senator Brugha. Mr Ryan was a member of the first Irish delegation to the European Parliament for a brief period before becoming Minister for Finance in the Coalition Government in March 1973.

As a result of the election, Fianna Fail gained another seat in the Parliament, while the Labour Party has lost one of the two seats held during the previous four and a half years.

Mr Brosnan (61) is a barrister and former teacher. He was first elected to the Dail in 1969, and was a member of the Senate for two years before returning to the Dail in a by-election in 1974. He was a member of the Consultative Assembly of the Council of European from 1973 onwards.

Mr Power (49), was formerly a national teacher, and is now a full-time public representative, being active in local politics since 1967. He was elected to the Dail in 1969, and has attended a number of international Parliamentary conferences.

Senator Brugha (50) is a Dublin businessman who served in the Senate from 1969 to 1973, when he was elected to the Dail. He lost his seat in the June election, and returned to the Senate. He was a member of the Irish Broadcasting Authority from 1965 to 1969, and is active in a number of other fields, including tourism. His father, Cathal Brugha, was President of the first Dail in 1919 and was subsequently Minister for Defence.

Mr Ryan (48) is a Solicitor and was first elected to the Dail in 1959. Since then he has served on various Parliamentary committees, and was a member of the Council of Europe Assembly from 1968 to 1973. He was spokesman on Foreign Affairs for Fine Gael from 1970 to 1973, and on the formation of the Coalition Government in March 1973 he became Minister for Finance.

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